

# STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION  
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INDIANAPOLIS, INDIANA 46204-2764

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IN THE MATTER OF THE PETITION )  
OF NORTHERN INDIANA PUBLIC )  
SERVICE COMPANY FOR )  
AUTHORITY TO ISSUE AND )  
SELL NOT TO EXCEED \$55,000,000 )  
AGGREGATE PRINCIPAL AMOUNT )  
OF ITS NEW DEBT SECURITIES )  
FOR THE PURPOSE OF )  
REFINANCING PETITIONER'S )  
OBLIGATIONS WITH RESPECT TO )  
CERTAIN JASPER COUNTY )  
POLLUTION CONTROL BONDS )

FILED

OCT 03 2003

INDIANA UTILITY  
REGULATORY COMMISSION

CAUSE NO. 42482

You are hereby notified that on this date the Indiana Utility Regulatory Commission ("Commission") has caused the following entry to be made:

On July 14, 2003, Northern Indiana Public Service Company ("NIPSCO" or "Petitioner") filed its Verified Petition with the Indiana Utility Regulatory Commission for authority to issue and sell not to exceed \$55,000,000 aggregate principal amount of its new debt securities for the purpose of refinancing Petitioner's obligations with respect to certain Jasper County pollution control bonds. Pursuant to notice and as provided for in 170 IAC 1-1.1-15, a Prehearing Conference was held on August 27, 2003, during which the parties agreed to a schedule for the filing of evidence. The Petitioner was to file its case-in-chief on or before September 4, 2003, and the OUCC and any intervenors were to file by September 18, 2003.

Petitioner filed its testimony on October 2, 2003.

The Presiding Officers in this Cause, being duly advised in the premises, hereby find that Petitioner shall answer the following data requests by Tuesday, October 7, 2003:

1. Please provide debt and preferred stock ratings for NIPSCO and NiSource, Inc.
2. Please provide a copy of the credit reports from each applicable rating agency supporting NIPSCO's and NiSource's most recent debt and preferred stock ratings.
3. Have the debt or preferred stock ratings of NIPSCO and/or NiSource Inc. been downgraded at any time during the last two years? If yes, please explain why and

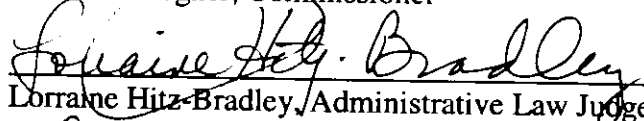
how the downgrades have and/or will affect the cost of financing for NIPSCO. Additionally, if ratings have been downgraded in the last two years, please explain the Company's plan to improve ratings and any progress made towards achieving that goal.

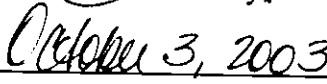
4. Has the Board of Directors Resolution been executed? If yes, please file a copy with the Commission.
5. On page 3 of Mr. O'Malley's testimony, he states that, "In return for guaranteeing NIPSCO's obligations under the Loan Agreement, NIPSCO will pay AMBAC approximately \$300,000 per year in fees". Is this structure more economic than issuing first mortgage bonds?
6. On page 4 of Mr. O'Malley's testimony he states that, "In Article IV, County agrees to lend the gross proceeds of the bond issuance to NIPSCO and NIPSCO agrees to (a) apply such gross proceeds to refinancing the Series NN bonds and (b) repay the gross proceeds plus interest in accordance with the repayment provisions of the Indenture." What are the repayment provisions of the Indenture?
7. Please provide a copy of the cost calculations showing a determination that the proposed financing will result in savings to Petitioner.

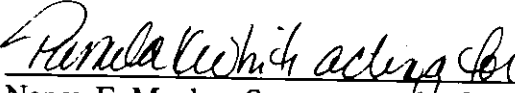
If Petitioner is unable to fully answer the questions propounded, Petitioner must provide a witness at the evidentiary hearing who will be able to answer such questions on the record.

**IT IS SO ORDERED.**

  
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David E. Ziegner, Commissioner

  
\_\_\_\_\_  
Lorraine Hitz-Bradley, Administrative Law Judge

  
\_\_\_\_\_  
Date

  
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Nancy E. Manley, Secretary to the Commission